

## **Coburn Amendment 3378 –To Limit the Federal share of Disaster Assistance to 75 percent of eligible costs, and for other purposes.**

**What this amendment would do:** This would amend the Stafford Act, which currently says that the federal share of disaster assistance should be “not less than” 75 percent. This amendment would change it to say: “Not more than” 75 percent—creating a ceiling for federal assistance for disaster aid.

**Facing a national debt that is larger than \$16 trillion, Congress needs to place a limit on the amount of assistance that we provide for disaster assistance.**

States and communities are becoming increasingly reliant on the federal government for aid for disasters.

In the 1980s, under President Reagan, the federal government was declaring an average of just 28 disaster declarations per-year.<sup>1</sup>

Today, under President Obama, we’ve been averaging as many as 140 disaster declarations per year.

And many of these so-called disasters are for lesser weather events that probably wouldn’t have been declared disasters in the past.

This trend of increasing reliance on the federal government is unsustainable.

With our ballooning national debt, there may come a day when the federal government won’t be able to help even for the biggest disasters like Sandy.

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<sup>1</sup> Jessica Zuckerman, “Debate over FEMA Disaster Aid: Federal vs. State and Local,” Heritage Foundation, November 1, 2012.

**This Amendment Would Cap the Federal Cost-Share of Disaster Assistance at 75 Percent—Giving States/Localities an Incentive to Spend Money Carefully**

One way to curb states' and localities' increasing reliance on the federal government is to require that they have some skin in the game—at least a 25 percent cost-share for federal disaster assistance.

Requiring a state or local cost share for public assistance will give states and local governments a stronger incentive to ensure that money is well spent.

Look at our experience with Hurricane Katrina.

For much of the aftermath of the storm, FEMA was paying a 100 percent cost share for that disaster assistance.

And we unfortunately saw considerable waste and abuse with how Katrina funds were spent.

According to a review of IG reports, more than 1,700 people were indicted for using Katrina funds improperly.

And according to a conservative estimate, at least \$11 billion in Katrina funds were wasted.

**If state and local governments had more money at stake, they would be better stewards of the money and it would encourage them to make preparations for potential storms.**

If they had to pay 25 percent, states and local governments would be more likely to use the funds in a timely fashion to help those in need.

We too often see grant funds that have not been spent for many years after the storm.

For example, we continue to see that \$4.9 billion in funds for Hurricane Katrina relief have been obligated but not spent—more than 7 years after the storm.

**This Amendment Is a Reasonable Solution to Ensure a Fair Balance Between Federal and State/Local Spending for Disaster Assistance**

This amendment would still require the federal government to pick up three-fourths of the costs of disaster assistance.

But requiring states and local jurisdictions to pay 25 percent would discourage dependence on Washington and encourage states to become more self reliant.

It may even encourage some states to make preparations in advance—creating rainy day funds and taking other precautions—to have funds on hand when disasters occur.

This is a reasonable step to take—particularly since if Washington doesn't change course and fix our national debt— there may come a day when we will no longer be able to afford disaster aid, and when states will have to shoulder 100 percent of the burden of major disasters.